

The
Crow's Nest
Pass Coal
Company
Limited



Twentieth
Annual Report
1916



THE CROW'S NEST PASS COAL COMPANY LIMITED



Capital Stock (Authorized)	-	\$10,000,000.00
Capital Stock (Subscribed)	-	6,212,666.66
Capital Stock (Paid Up)	- -	6,212,666.66



STOCK TRANSFER OFFICE
COMPANY'S HEAD OFFICE, TORONTO
MINES' OFFICE, FERNIE, B.C.

REGISTRAR
NATIONAL TRUST CO., LIMITED, TORONTO

BOARD OF DIRECTORS FOR 1917

PRESIDENT

ELIAS ROGERS

President National Life Assurance Co., Vice-President Imperial
Bank of Canada, Director National Trust Company,
Toronto.

VICE-PRESIDENT

E. C. WHITNEY,

President St. Anthony Lumber Co., Ottawa, Ont.

DIRECTORS

CARMIE A. THOMPSON,

Manager Great Northern Iron Ore Properties, St. Paul, Minn.

H. B. MCGIVERIN,

Messrs. McGiverin, Haydon & Ebbs, Barristers, Ottawa.

W. H. ROBINSON,

President Canadian Consolidated Rubber Company,
Vice-President Granby Consolidated M. S. & P. Company,
Granby, Que.

DR. GOLDWIN W. HOWLAND,

Toronto.

ELLIS P. EARLE,

President Nipissing Mines Co., and Georgia Peruvian Ochre Co.
Director Chatham & Phenix National Bank, N.Y., and
Vice-President Granby Consolidated M., S. & P. Co.,
New York, N.Y.

OFFICERS

Secretary.....R. M. YOUNG.

Assistant Secretary.....MISS L. M. KELLEY.

Treasurer.....ELIAS ROGERS.

Auditors.....MESSRS. LAWSON, WELCH & Co.,
Chartered Accountants.

PROCEEDINGS

OF THE

TWENTIETH ANNUAL GENERAL MEETING OF SHAREHOLDERS.

On the 13th day of April, 1917, the Annual General Meeting of the Shareholders of the Company was held, pursuant to Notice, in the Board Room of the National Life Assurance Company, at 2.30 p.m.

The following Shareholders were present, representing 76% of the stock:

IN PERSON—

Norman Ainley
Herbert T. Baily
William Crocker
James Cameron
James F. Edgar
James Gunn
Dr. G. W. Howland
James Hardy
G. G. S. Lindsey
Solomon Lorie
H. H. Lloyd

W. P. Murray.
Frank E. Maulson
H. B. McGiverin
Elias Rogers
W. H. Robinson
Col. G. A. Stimson
Henry Swan
Carmi A. Thompson
Samuel H. Thompson
E. C. Whitney

BY PROXY—

Brown Bros. & Co.
P. R. Brecken
Dr. E. St. G. Baldwin
Mrs. Kate Brecken Black
Mrs. Bertrand Chambers
W. A. Cotton
E. P. Clarkson
Mrs. Harriet Collard

C. P. Hill
R. Harmer
P. H. Jones
J. B. Jackson
Miss Margaret Laurie
A. L. Lunan
Mrs. Mary Monteith
J. W. Murray

By PROXY—Continued—

G. W. Cook	C. J. Major & Jos. Hunter
J. L. Counsell, Trustee	Mrs. Annie Manson
D. B. Dick	J. Cooper Mason
John L. Davison	W. J. Morrice
Miss C. O. Elwell	Frederick Richard Martin
E. P. Earle	Archibald K. McLaren
Mrs. Myrtle M. Ellis	E. T. Nichols
Mrs. Elizabeth Folingsby	A. E. Osler & Co.
Mrs. Emily H. Gemmill	H. O'Brien
James Gouinlock	W. T. Payne
Miss Lillie Gouinlock	Mrs. Kate M. Perrin
Mrs. Amy I. Gardiner	Peck, Rasmus & Truesdale
Granby Consolidated M., S. & P. Co., Ltd.	T. H. Purdom
W. H. Goadby	J. R. Steedman
W. H. Goadby & Co.	Mrs. Violet A. Seaman
Miss Mary Hitchins	Fred. H. Sykes
Hanson Bros.	Charles C. Smith
William Hanson	Mrs. Selena J. Vanstone
Josiah Hemans	Miss Ida May Vanstone
Miss Edith S. Hill	B. S. Vanstone
	Charles C. K. Vidal

The President, Mr. Elias Rogers, having taken the Chair, Miss L. M. Kelley was requested to act as Secretary to the meeting.

The Notice calling the meeting for the 13th day of April, 1917, at 2.30 p.m., was taken as read.

The Minutes of the Nineteenth Annual Meeting, held on the 14th day of April, 1916, were taken as read, whereupon the President signed the same.

The Twentieth Annual Report of the Directors, and the accompanying Financial Statement, copies of which had been distributed among the Shareholders present, was taken as read.

DIRECTORS' REPORT

TO THE SHAREHOLDERS:

Your Directors herewith present the Annual Report for the year 1916, including the Statement of Assets and Liabilities as of the 31st December, 1916.

The Balance at the Credit of the Profit and Loss Account brought forward from 1915, was \$431,499.51. To this has been added the sum of \$340,501.28, being the Company's Net Profits from all sources of the operations for the year 1916, making a total of \$772,000.79. From this amount the Directors have paid four Dividends of 1½% each, making 6% for the year, and amounting in all to \$372,666.00. The Profits of the Subsidiary Companies for the years 1913-14-15, which had been taken up as Income, have been written off, and the amount, \$76,854.11, applied to depreciation of these Companies, leaving a balance at the credit of Profit and Loss to be carried forward to 1917 of \$322,480.68.

During the year the Company spent on Improvements and Developments in connection with the Coal Company and its Subsidiary Companies, \$64,548.70.

The coal mined during the year amounted to 910,839 tons, being an increase of 26,006 tons over last year, and the coke produced was 268,989 tons, being 282 tons less than last year.

All of which is respectfully submitted.

ELIAS ROGERS,
President.

TORONTO, April 13th, 1917.

BALANCE SHEET, 31st DECEMBER, 1916

ASSETS

Cash on hand and in Bank..	\$ 177,312.53	
Accounts Receivable.....	227,071.39	
Inventories—Coal, Coke and Stores.....	217,424.55	
	<hr/>	\$ 621,808.47
Securities Owned.....		970,349.20
Unexpired Insurance.....		8,932.08
Mines, Real Estate, Plant and Equipment.....	6,228,565.07	
Less Reserve for Depletion..	889,457.12	
	<hr/>	5,339,107.95
		<hr/>
		<u>\$6,940,197.70</u>

LIABILITIES

Accounts Payable.....	\$ 239,083.94	
Dividend Payable.....	42,513.00	
	<hr/>	\$ 281,596.94
Contingent Liability and In- surance Reserve.....		123,453.42
Capital Stock Paid Up....	6,212,666.66	
Profit and Loss Account...	322,480.68	
	<hr/>	6,535,147.34
		<hr/>
		<u>\$6,940,197.70</u>

ELIAS ROGERS,
Treasurer.

PROFIT AND LOSS ACCOUNT

Year ending 31st December, 1916

Balance at Credit, 31st December, 1915.....	\$ 431,499.51	
Less Profits of Subsidiary Companies written off....	76,854.11	
	<hr/>	\$ 354,645.40
Profits from Lands, Timber and Other Sources.....	57,132.77	
Profit from Coal and Coke.	283,368.51	
	<hr/>	340,501.28
		<hr/>
		\$ 695,146.68
Appropriated as follows:		
Dividend No. 34, March 31, 1916.....	93,166.50	
Dividend No. 35, June 30, 1916.....	93,166.50	
Dividend No. 36, Sept. 30, 1916.....	93,166.50	
Dividend No. 37, Dec. 30, 1916.....	93,166.50	
	<hr/>	\$ 372,666.00
Balance forward to 1917...		322,480.68
		<hr/>
		\$ 695,146.68

ELIAS ROGERS,
Treasurer.

TORONTO, ONT., April 13th, 1917.

AUDITORS' REPORT AND CERTIFICATE

TO THE SHAREHOLDERS,
THE CROW'S NEST PASS COAL COMPANY, LTD.,
GENTLEMEN,—

WE CERTIFY that we have audited the Books and Accounts of your Company for the year ending December 31st, 1916, and that the appended Balance Sheet is, in our opinion, so drawn as to exhibit a true and correct statement of the Company's position as of that date and as shown by their books.

We further certify that all our requirements as Auditors have been fully complied with.

Respectfully submitted,
LAWSON, WELCH & COMPANY,
TORONTO, March 26th, 1917. Chartered Accountants.

THE PRESIDENT'S ADDRESS

In moving the adoption of the Report, Mr. Elias Rogers, President of the Company, said:

As Shareholders with cash investments in this Company, I assume that you will like to have some information regarding the operations of the Company further than is given in the printed Statement and the usual Directors' Report, and before moving the adoption of the Report, I will refer to some of the most important matters, and afterwards will be glad to endeavor to answer any question which may be asked.

Early in the year, owing to the large number of our employees that had joined the colors, it was necessary for us to ask the Dominion Government to cease recruiting in the Fernie district, and to permit us to bring in laborers from the United States, which they did, but unfortunately, owing to shortage of labor in the United States, this did not help us very materially.

On the night of August 8th, an explosion occurred in New No. 3 Mine, Michel, 12 men were working on the midnight shift at the time, and all were lost. The explosion occurred during the worst electrical storm ever known in that locality, and the evidence produced so far, goes to show that the accident was due to the lightning entering the Mine on the mine rails, and that the Company or its officials were in no way negligent or responsible for the accident.

On November 7th a slight tremor was felt at No. 1 East Mine, Coal Creek, followed by violent shocks later in the evening, causing caves, in which one man was entombed. The shock was felt at Fernie and Morrisey. On November 15th slight movements were still working in No. 1 East Mine. A Commission was appointed by the Government to investigate, and up to the present time their report has not been published, but from the information that can be gathered there were dynamic, or seismic movements going on in the geology in that section, which may be regarded as the primary cause. The Commissioners frankly stated that they did not see how the present method of big pillar development could be wisely improved upon, nor could they suggest any way of overcoming the present difficulties. Mr. Wilson has had such a long experience in Rocky Mountain conditions, that in my judgment

he is more competent to form an opinion than any expert we could get from any other place.

Then again, on April 5th last, although this has nothing to do with the present report, or last year's operations, I regret to have to report for your information that we had another most deplorable accident in No. 3 Mine, Coal Creek, in which 34 men were entombed. The cause of the accident has not yet been determined. I might mention that we have had anonymous letters from foreigners indicating that mines would be blown up. The main road has been cleared for over a mile and a half from the foot of No. 3 slope, but only twelve bodies have been recovered. There is nearly a mile further of workings to be explored. I have been all through these workings myself, and know the conditions fairly well. The provision for air circulation was excellent, and more than five times the amount required by law, but without further information I can only guess at the cause of the accident. It may possibly have been caused by an enemy agent, or by a sudden outburst of gas accompanied by flying coal, breaking a safety lamp and causing ignition of violently exuding gas; or it might have been caused by a miner lighting his pipe at some place where gas was up to an explosive point. Although it is against the law of British Columbia and against the rules of the Company for a miner to carry matches into the mine, on examination men have been found at different times with matches concealed about their person. The mines have been so safe that the men could undoubtedly light matches and smoke perhaps a hundred times or more without anything happening, and some of them seem to become so accustomed to the danger that this has undoubtedly been done in many instances. Outbursts of gas not noticeable to the Miner are always liable to occur, and there is no possible provision which could be made that I know of other than we are doing to overcome these dangers.

Although I have not full particulars before me, as I understand it, the British Columbia Government passed a Workmen's Compensation Act in 1916, under which we, as employers of labor, are obliged to pay to the British Columbia Government 3% of our payroll, which goes into a fund to be set aside for compensation in case of accidents, the Government thus relieves the Company and assumes the responsibility for compensation for injuries or dependents in case of death. This Act came into force on the 1st of January last, and since that date we have paid \$12,565.62, the tax or premium of 3% for the first quarter of the year towards this fund. This would seem to be a very high rate. However, it is the same rate as charged in the State of Washington, and in that State after a sufficient amount of funds have been accumulated as a Reserve, I am informed that while they do not reduce the rate, their policy is to omit an assessment from time to time as the con-

ditions of the fund will justify. Prior to January 1st last, the Company was carrying its own insurance, and as shown in the Statement, carried a Contingent Liability and Insurance Reserve of \$123,453.42 as of December 31st last. Out of this some small claims will have to be paid on account of accidents which occurred prior to that date, but since then, as above indicated, the Government assumes all liability.

In June, the Miners' Leaders made a request on the Operators' Association to meet them for the purpose of considering a general advance in wages, or paying a War Bonus of 10%, although the Agreement with the United Mine Workers of America, District 18, did not expire until April 1st, 1917. After weeks of negotiations with the Miners' representatives, a Supplementary Agreement with the Miners parallel to the two years' agreement made April 1st, 1915, and terminating April 1st, 1917, was signed on August 14th, increasing the scale of wages from 5 to 12½%. The Miners were out on strike about two weeks at this time.

The last five months we have had semi-strike conditions and more or less disorganization of labor. Similar conditions have prevailed throughout what is known as District 18, which comprises the Mines in South-Western Alberta as well as the Crow's Nest. On November 11th the Executive of the Miners' Union sent a telegram to the Minister of Labor, demanding another war bonus of 25%; or, as an alternative, an investigation into the cost of living, and a war bonus paid to be commensurate with the said increase. The Minister of Labor, in order to keep the mines going, appointed a Commissioner to investigate the cost of living, who reported an increase of about 9½%. This however, included the normal increase between the summer and winter prices. On January 5th, the Minister of Labor called a conference at Ottawa, of the representatives of the Operators and of the Miners' Union and the chief consumers. After spending a week or more at Ottawa, they returned to their homes without arriving at a settlement. This was followed by a strike of a couple of weeks' duration. February 1st the Minister of Labor met the Operators at Calgary, and after a few days' negotiations, delivered an ultimatum to the Operators' Association, stating that the Miners were to receive \$1.75 per week as a war bonus, in addition to the war bonus granted in August, the Government to provide the money from the 16th of November to the 3rd of February, and the Companies to increase the price of their product to cover the cost of the increase from the 3rd of February to the 1st of April, and to pay such increase to the Miners.

The agreement with the Miners expired April 1st, consequently negotiations were commenced March 6th, and continued until the

22nd, when the Minister of Labor again went to Calgary to meet the Operators' Association and Miners' representatives. On the 30th the Conference adjourned after acceptance by the Miners' representatives as a basis of settlement of a 5% increase on the 1915 Agreement, and the war bonus to be continued until three months after the expiration of the war. This has to be confirmed by a vote of the Miners and also of the Operators. It is expected that it will be confirmed, but up to the present I have no advice that this has been done.

The large amount of snow that fell in the winter of 1915 and 1916 resulted in floods in the spring of 1916, which although small damage was occasioned to this Company, our operations were seriously interfered with owing to washouts on the railways and difficulties of transportation. This last winter has also been severe. In January and the early part of February the thermometer dropped to 30 degrees below zero. On this April 2nd, Fernie was covered with snow from 3 to 5 feet deep, making about six months of continual winter.

The Company in 1916, instead of paying interest, received \$10,817.38 interest, and at the present time have \$209,700.00 in gilt-edged liquid securities, as follows:

\$ 50,000 Dominion War Loan
100,000 Anglo-French Bonds
50,000 Great Britain and Ireland, and
9,700 Greater Winnipeg Stock,

and our last Cash Report showed in addition to this, a credit balance in the banks of \$100,490.97.

During 1916 the Miners worked 248.5 days at Coal Creek, and 269 days at Michel. The Directors' Report gives the output.

The development work during the year 1916 amounted to 159,689 feet, or without including Crosscuts and parallels 102,218 feet. A large portion of this has been charged to Cost of coal.

During the last year the amount charged to Depletion was \$115,137.23. In addition to this, we have written off for depreciation of the Subsidiary Companies the entire profit for the years 1913 to 1916 inclusive.

According to the books, the following is the showing of earnings on Coal and Coke and the amount charged to depreciation, not in-

cluding the \$1,078,200.49 written off last year on account of old depreciation.

Year	Earnings on Coal and Coke: Depreciation	
1899.....	\$	44,550.14
1900.....		119,665.29
1901.....		251,428.57
1902.....		109,121.70
1903.....		216,042.04
1904.....		236,939.62
1905.....		330,526.90
1906.....		207,509.36
1907.....		184,212.42
1908.....		113,870.23
1909.....	\$	39,433.11
1910.....		62,093.86
1911 (8 mos. strike) Loss		140,128.54
1912.....		222,288.60
1913.....		40,943.89
1914.....		542,011.73
1915.....		131,002.04
1916.....		140,508.52
		316,387.03
		108,678.04
		494,252.54
		111,531.89
		433,310.22
		115,137.23
	\$1,251,937.00	\$889,457.12

The Railway Company's equipment in use is in first class condition. I was all over it myself in August last. The Morrissey Branch is not in use and has not been since 1908.

In last year's report you will find Mr. Wilson's (General Manager) address, which gives a good description of the difficulties and dangers we have to encounter, and I regret that Mr. Wilson's duties at Fernie in connection with the labor settlement and mine conditions have prevented his coming to this meeting. I can only say that he is most untiring in his efforts, and I know of no man who could, as General Manager, give the Company better services than he has done and is doing.

At the risk of repeating what I have said on former occasions, I would remind you that a few years ago oil burners were introduced on the railways from the Pacific Coast east to about as far as our mines, which cut off at one stroke about 1,500 tons per day of our coal market. Also that a number of other mines have been opened on the Crow's Nest line with which we have to compete.

The death of Mr. James J. Hill on May 30th, 1916, although he had reached advanced years, is much to be regretted. In my opinion he was the best friend the Company ever had. It was through his influence that the Company obtained the Million-dollar loan in New York at a time when the Company probably could not have obtained the money in any other way. At a meeting of the Directors the following Resolution was passed, which, I have no doubt, will have your approval:

"RESOLVED, that in the passing away of Mr. James J. Hill, The Crow's Nest Pass Coal Company, Limited, has lost not only a good friend, but one who in the hour of adversity was its main

financial support. Although he never had any official connection with the Company, it at all times benefitted by his support, his foresight and his wise counsel. All interested in the Company, and all the other activities that profit by its operations, are his debtors. It was most characteristic of him that his great gratification in the financial prosperity of the Company was founded on the comfort it would bring to the smaller shareholders, especially widows and orphans.

RESOLVED that we share in the world-wide loss of a man whose activity was so universal and beneficent, and who contributed to the well-being and happiness of so many millions of people. His share in the development of the Dominion of Canada, west of Winnipeg, was much greater than many people realized. He was one of the original syndicate who made the construction of the Canadian Pacific Railway possible, and while later he was more active in developing great railways to the south of the border, he never lost the affection which he always had for the country of his birth. Although so many vast enterprises claimed his attention, he had time and support to spare The Crow's Nest Pass Coal Company for the development of one of the richest local resources of Western Canada.

Always quiet and unassuming, his numerous benefactions were without display. Only those who were in immediate contact with him could appreciate his real greatness, his breadth of vision, his wonderful ability, and his kindness of heart.

In the midst of general sorrow, it is some satisfaction to know that Mr. Hill lived to see not only this Company, but the many others in which he was interested, successful and established on a firm financial basis.

RESOLVED, That these Resolutions be incorporated in the Minutes of the Company, and a copy sent to Mrs. Hill and family."

Mr. L. W. Hill, son of the late James J. Hill, is now the head of the Great Northern Railway, which has, as you know, for many years, been our best customer, and when we were obliged to increase our prices in consequences of the labor demands before referred to, they conceded without hesitation an equivalent advance in our price of coal to that railway. I may mention in this connection, that as far as I know the Great Northern Railway have never had any preference in prices over other large customers. At the time of the advance we were charging the same price to the C.P.R. as the Great Northern, but when we notified them of the advance, they immediately cancelled their orders, stating that they could get coal cheaper elsewhere.

The thanks of the Shareholders are due to the General Manager and Staff for the results accomplished during the past year under such trying conditions, and you will be asked to pass a Resolution giving expression of your appreciation of their efforts later in the meeting.

I move the adoption of the report, seconded by Mr. Whitney.

After some discussion the Report was unanimously adopted.

On motion of Mr. Robinson, seconded by Mr. Edgar, the firm of Messrs. Lawson, Welch & Co., Chartered Accountants, were appointed Auditors of the Company for the ensuing year. (Carried).

On motion of Mr. Maulson, seconded by Mr. Crocker, By-law No. 141, being a By-law to make provision for banking with the First National Bank, St. Paul, and for the signing of cheques, (in addition to other Banks with which we do business) was confirmed.

It was moved by Mr. Swan, that the thanks of the Shareholders are due and are hereby tendered to the General Manager, Mr. W. R. Wilson, and other officers of the Company for their zeal and effective services in the interest of the Company during the past year:

Mr. Swan, in moving the above Resolution, said:

"I would like if it had been a little more successful than it has been, but the unfortunate circumstances attending the mines could not be helped, and I am sure that the Shareholders are indeed thankful that they have got a man like Mr. Wilson as General Manager, and a man like Mr. Rogers as Chief Director of the Company, and the five surrounding the table. I think we ought to be glad we have such a Board to look after our interests, especially in such a year as we have had.

I have much pleasure in moving this Resolution. Mr. Ainley seconded the motion. (Carried.)

It was moved by Mr. Whitney, seconded by Mr. McGiverin, that Mr. Edgar and Mr. Crocker be appointed Scrutineers for the election of Directors.

It was moved by Mr. Cameron, and seconded by Mr. Lorie, and resolved, that the following gentlemen be nominated as Directors of the Company for the ensuing year: Messrs. Elias Rogers, E. C. Whitney,

Carmi A. Thompson, H. B. McGiverin, W. H. Robinson,
Dr. G. W. Howland, and Ellis P. Earle. (Carried).

It was moved by Dr. Howland, seconded by Mr. Thompson, that the Chairman be authorized to cast one ballot on behalf of the Shareholders and in favor of the names nominated as Directors of the Company for the ensuing year. (Carried.)

The Scrutineers reported the gentlemen nominated as having been duly elected Directors for the year 1917.

The meeting then adjourned.

At a subsequent meeting of the Directors, the following Officers were elected:

President.....	MR. ELIAS ROGERS
Vice-President.....	MR. E. C. WHITNEY
Treasurer.....	MR. ELIAS ROGERS
Secretary.....	MR. R. M. YOUNG
Assistant Secretary.....	MISS L. M. KELLEY



ADDENDA FOR SHAREHOLDERS' INFORMATION.

Year.	Tonnage.
1898.....\$	8,986
1890.....	116,200
1900.....	232,345
1901.....	425,457
1902.....	442,049
1903.....	661,118
1904.....	742,210
1905.....	831,249
1906.....	806,901
1907.....	981,940
1908.....	981,645
1909.....	899,045
1910.....	1,209,762
1911.....	359,456 (8 mos. strike)
1912.....	1,064,791
1913.....	1,166,378
1914.....	871,814 (War conditions)
1915.....	884,833 " "
1916.....	910,839 " "

In 1907 after an Inventory had been taken \$601,101.15 was written off Plant and Equipment, and the Real Estate was written up a like amount to take care of this depreciation, consequently was not referred to in my address as an amount that had been written off for depreciation.

ELIAS ROGERS,
President.



